

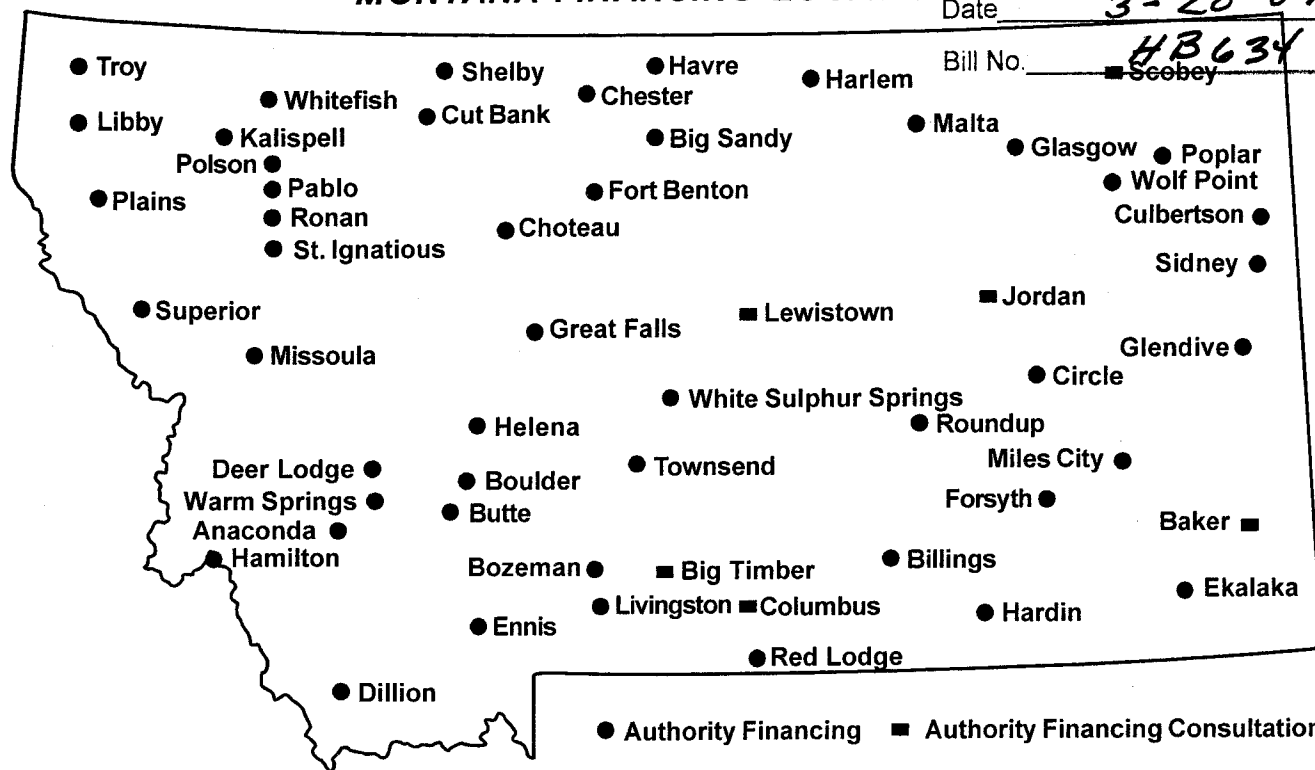
# MONTANA FINANCING LOCATIONS

Date

3-20-07

Bill No.

HB 634



● Authority Financing ■ Authority Financing Consultation

## FACILITY TYPE LOGO LEGEND

A Assisted Living/Retirement Facility

D Chemical Dependency Center

C Clinic

N Nursing Home

R Residential Home or Activity Center

H Hospital

P Pre-release Center

### ANACONDA

Aware	R	667,527
Community Hospital Of Anaconda	H	151,892

### BILLINGS

Alternatives	P	10,845,000
Deaconess-Billings Clinic	HC	157,173,598
Mission Ridge	A	35,419,000
Northern Rockies Reg. Cancer Treatment Center	C	3,900,000
REM Montana	R	279,732
Residential Support Services	R	1,220,488
Rimrock Foundation	D	3,695,000
Special Training for Exceptional People	R	63,047
Special Transportation	R	51,000
St. John's Lutheran Home	N	33,945,000
St. Vincent's Health Center	H	162,595,536

### BIG SANDY

Big Sandy Medical Center	H	100,000
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### BOULDER

Montana Developmental Center	R	13,100,000
Boyd Andrew Community Services	D	5,085,000

### BOZEMAN

Bozeman Deaconess Foundation	H	86,665,000
Hillcrest Senior Living	A	17,170,000
REACH	R	684,306

### BUTTE

AWARE, Inc.	R	746,367
Butte Sheltered Workshop, Inc.	R	556,469
St. James Community Hospital	H	85,704,464
Southwest Montana Mental Health Services	R	175,254

### CHESTER

Liberty County Hospital	H	42,179
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### CHOTEAU

Teton Medical Center	H	2,500
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### CIRCLE

McCone County Health Center	H	13,456
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### CULBERTSON

Roosevelt Memorial Medical Center	H	10,000
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### CUT BANK

Northern Rockies Medical Center	H	150,824
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### DEER LODGE

Powell County Hospital	H	100,615
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### DILLON

Southwest Montana Mental Health Services	R	159,049
Barrett Memorial Hospital	HC	3,500,000
BSW, Inc.	R	71,000

### EKALAKA

Dahl Memorial Hospital	H	20,608
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<b>ENNIS</b>				Holy Rosary Health Center	HNC	33,151,461
Madison Valley Hospital	H	5,000				
<b>FORSYTH</b>				<b>MISSOULA</b>		
Rosebud Health Care Center	H	5,000		Big Bear Resources	R	569,454
<b>FORT BENTON</b>				Community Medical Center	H	40,489,186
Missouri River Medical Center	H	41,531		Missoula Community Health	H	77,026
<b>GLASGOW</b>				Missoula Correctional Services	P	5,611,000
Francis Mahon Deaconess Hospital	H	1,850,000		Missoula Developmental Services Corp.	R	2,557,671
<b>GLEN DIVE</b>				Opportunity Industries	R	779,291
DEAP	R	68,519		Opportunity Resources	R	1,425,125
Glendive Medical Center	H	7,870,000		St. Patrick Hospital	H	172,137,545
<b>GREAT FALLS</b>				W. Montana Community Mental Health Center	R	5,285,103
Benefis Health Care	H	40,595,000		<b>PABLO</b>		
Columbus - Benefis West	H	16,997,172		Mission Mountain Enterprises	R	71,834
Golden Triangle Community Mental Health Center	R	292,300		<b>PLAINS</b>		
Great Falls Prerelease Center	P	5,800,000		Clark Fork Valley Hospital	H	5,000
MDMC - Benefis East	H	22,743,950		Little Bitterroot Special Services	R	129,514
Quality Life Concepts	R	277,525		<b>POLSON</b>		
<b>HAMILTON</b>				Mission Mountain Enterprises	R	259,751
Marcus Daly Memorial Hospital	H	5,415,000		St. Joseph Hospital	H	26,128,857
Ravalli Services Corp.	R	259,376		St. Luke Community Hospital and Nursing Home	H-N	533,600
Western Montana Mental Health Center	R	1,200,000		<b>POPLAR</b>		
<b>HARDIN</b>				Northeast Montana Health Services	H	678,309
Big Horn Hospital Association	H	1,425,000		<b>RED LODGE</b>		
<b>HARLEM</b>				Regional Services (Beartooth Industries)	R	260,000
New Horizons Unlimited	R	154,512		Beartooth Hospital	H	126,150
<b>HAVRE</b>				<b>RONAN</b>		
Havre Day Activity Center	R	448,562		St. Luke Community Hospital and Nursing Home	HN	7,890,006
Northern Montana Hospital/Health Care	HNC	28,763,687		<b>ROUNDUP</b>		
<b>HELENA</b>				Roundup Memorial Hospital	H	15,000
Regional IV Family Outreach	R	385,782		<b>ST. IGNATIUS</b>		
Boyd Andrew Prerelease Center	P	3,895,000		St. Luke Community Hospital and Nursing Home	C	225,000
Lewis & Clark County	NC	2,590,000		<b>SHELBY</b>		
St. Peter's Community Hospital	H	69,599,276		Marias Medical Center	HC	5,665,000
Shodair Hospital	H	9,970,000		Quality Life Concepts (Northern Gateway)	R	173,447
Southwest Montana Mental Health Services	R	114,709		<b>SIDNEY</b>		
Spring Meadow Resources	R	1,220,000		Sidney Health Center	HNC	11,500,000
West-Mont	R	1,617,679		Community Memorial Hospital	H	1,145,000
<b>KALISPELL</b>				Richland Opportunities	R	200,000
Kalispell Regional Medical Center	H	66,895,747		<b>SUPERIOR</b>		
<b>LEWISTOWN</b>				Mineral Community Hospital	H	62,952
Central Montana Medical Center	H	97,320		<b>TOWNSEND</b>		
Community Counseling and Correctional Services	D	9,250,000		Broadwater Health Center	H	5,000
<b>LIBBY</b>				<b>TROY</b>		
St. John's Lutheran Hospital	HA	3,410,000		St. John's Lutheran Hospital	H	50,000
<b>LIVINGSTON</b>				<b>WARM SPRINGS</b>		
Counterpoint, Inc.	R	263,094		Montana State Hospital	H	25,915,000
Livingston Memorial Hospital	H	558,721		<b>WHITE SULPHUR SPRINGS</b>		
Southwest Montana Mental Health Services	R	119,586		Mountainview Medical Center	H	909,203
<b>MALTA</b>				<b>WHITEFISH</b>		
Phillips County Hospital Association	H	113,656		North Valley Hospital	H	4,995,000
<b>MILES CITY</b>				<b>WOLF POINT</b>		
Eastern Montana Community Mental Health Center	R	662,700		Faith Lutheran Retirement Home	A	65,000
Eastern Montana Industries	R	249,761		Northeast Montana Health Services	R	115,000

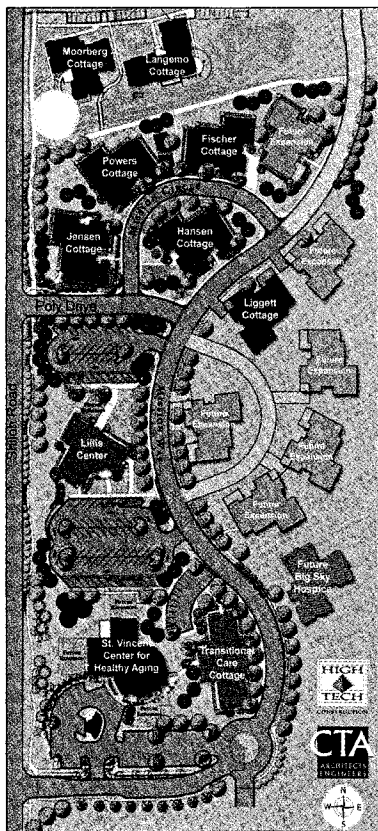
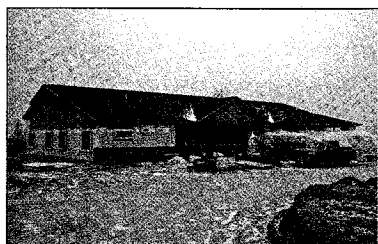
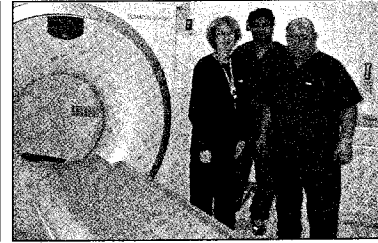
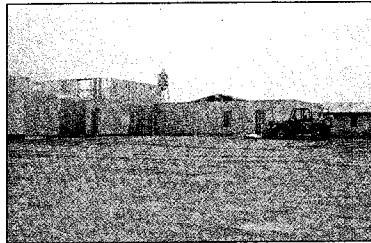
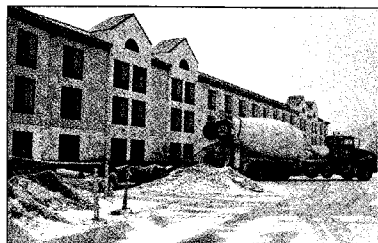


MONTANA  
FACILITY  
FINANCE  
AUTHORITY

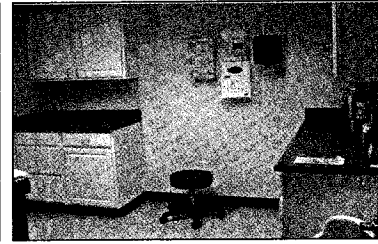
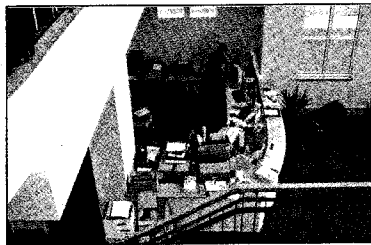
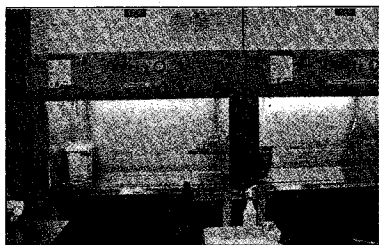
# *The* **AUTHORITY REVIEW 2006**

*Providing flexible financing options for nonprofit healthcare and community service providers*

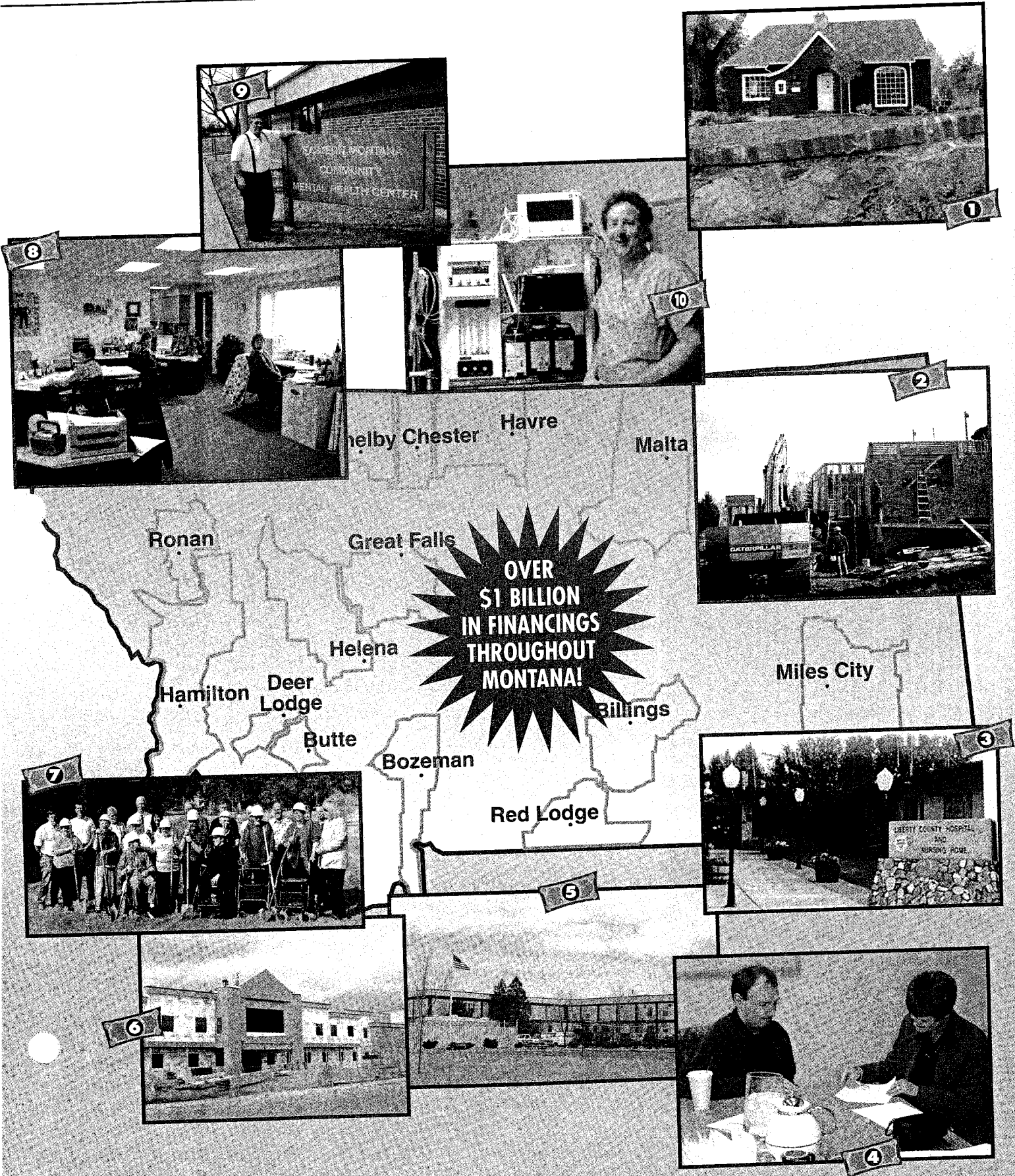
December 2006



*Over \$1.3 Billion  
in Financings  
throughout Montana  
since 1983*



*Providing flexible financing options for non-profit healthcare and community service providers.*





# MONTANA FACILITY FINANCE AUTHORITY

## BOND ISSUES PER BIENNIUM

**90-7-302. Bonds and notes of authority.** (1) The authority may in each biennium borrow money and issue bonds and notes in an aggregate principal amount not to exceed \$250 million, exclusive of bonds or notes issued to refund outstanding bonds or notes.

MFFA is an Enterprise Fund; therefore, it is fully self-funded.

Date	Borrower	Bond Amount	Bonds Subject Statute	MFFA Refunded
<b>CURRENT BIENNIUM 2006-2007 (7/01/2005 - 6/30/2007)</b>				
<b>Already Issued:</b>				
Aug-05	Boyd Andrew 05	1,200,000	<sup>1</sup> 1,200,000	
Aug-05	Missions United 05	3,434,000		3,434,000
Sep-05	Bozeman Deaconess Health Services	28,545,000	9,525,000	19,020,000
Nov-05	Spring Meadow Resources	600,000	600,000	
Dec-05	Great Falls Pre-Release Services	4,500,000	<sup>1</sup> 4,500,000	
Feb-06	MLP 06 Northern MT Healthcare	6,670,000	<sup>2</sup>	6,670,000
Mar-06	SOC (St. V, St. James, Holy Rosary)	35,000,000	35,000,000	
Jun-06	Providence Health & Services, Inc.	68,430,000		68,430,000
Jul-06	Alternatives, Inc.	7,920,000	<sup>1</sup> 7,920,000	
Aug-06	Boyd Andrew Community Services	5,085,000	<sup>1</sup> 5,085,000	
Aug-06	CCCS, Inc.	9,250,000	<sup>1</sup> 9,250,000	
Aug-06	St. John's Lutheran Ministries	30,410,000	29,130,000	1,280,000
Dec-06	Billings Clinic	4,532,704	4,532,704	-
Jan-07	MLP 07- Marcus Daly Hospital	7,135,000	<sup>2</sup> 7,135,000	
	Total issued through Jan. 31, 2007	212,711,704	113,877,704	98,834,000
<b>To be issued by 6/30/07</b>				
	St. Peter's (3/22 close)	22,100,000	15,000,000	7,100,000
	Benefis (close April 10)	125,000,000	103,000,000	22,000,000
	NEMHS (April)	13,000,000	<sup>2</sup> 13,000,000	
	Community Medical Center-GE PP	1,000,000	1,000,000	
	Kalispell	3,250,000	3,250,000	
	St. Luke	20,000,000	<sup>2</sup> 20,000,000	
	Total Issued for Biennium ended 6/30/07	397,061,704	269,127,704	127,934,000

### NEXT BIENNIUM 2008-2009

#### Known Proposed Bond Issues for the biennium ended June 30, 2009

Billings Clinic (FY 2008)	100,000,000
St. John's Nursing Home (2007)	30,000,000
Sisters of Charity (2008)	225,000,000
Red Lodge-closing 2008	10,000,000
Livingston	28,000,000
Ennis	6,000,000
Glendive	15,000,000
Malta	4,000,000
	<b>418,000,000</b>

With the exception of footnoted 1 & 2, bonds do not represent a liability to the State of Montana.

Notes: 1) Bonds with a "moral obligation" pledge by the State of Montana  
 2) Bonds enhanced by the Montana Board of Investments; provides for replenishment of reserve fund, if necessary.

HB 634, Senate Finance and Claims Committee Hearing, 8:00AM, March 20, 2007,  
Room 317A

**"AN ACT INCREASING THE AMOUNT OF BONDS AND NOTES THAT THE  
FACILITY FINANCE AUTHORITY MAY ISSUE"**

Jon Marchi's testimony in favor of the bill:

Chairman of the Montana Facility Finance Authority (MFFA)

Representing the Montana Ambassadors, Glacier Venture Fund and Big Sky Airlines

A seven member quasi-judicial board appointed by the Governor manages MFFA. Over the past 23 years the Authority has issued over \$1.4 billion of tax-exempt bonds with \$721 million currently outstanding. MFFA has never experienced a default. Each bond issue requires reserves to mitigate a possible default. With the exception of \$29 million in state revenue bonds, \$39 million of Board of Investments (BOI) guaranteed bonds and \$36 million of bonds with a state "moral obligation" pledge (\$27 million of these are privately insured) totaling \$104 million; the remaining \$617 million are conduit bonds that are neither state debt nor a state obligation. We issue public notices of our meetings and we follow the guidelines of the state open meeting and public participation laws. We are fully audited by the Legislative Audit Division. Our audits have been consistently clean, with "no recommendations" needed reports.

This bill passed the House with a 91 to 9 favorable vote. The bill simply increases our bond cap (limit) from \$250 million set in 1997 to \$500 million. Over the past 10 years this represents an increase of 10% annually. We plan on issuing about \$397 million for the biennium ending June 30, 2007. \$269 million of these bonds are subject to the current \$250 million cap, therefore we have requested an immediate effective date. For the biennium beginning on July 1, 2007, we have already identified or are working on issuing bonds totaling \$418 million. Our handouts include information on our completed and anticipated bond issues in the current and the next biennium.

We have surveyed other states that have statewide facility finance authorities similar to ours. Of the 31 responses we have received so far, 5 states have limits on the total amount of tax-exempt bonds that can be issued and the remaining 26 states have never had a limit or their state legislatures have repealed the limit. Because we already have \$418 million in bonds that we are working on for the next biennium this committee may want to consider simply eliminating the cap as most states have now done.

These bonds provide significant economic and social benefits to our state. They increase our infrastructure, create both short term and long term employment opportunities for our people, provide better medical service by improving facilities and by being able to purchase new technology.

Thank you, Madam Chair and Members of the Committee.

**Letters of Support for  
HB 634**

Montana Ambassadors  
Montana Economic Developers Association  
St. John's Lutheran Ministries-Billings  
Rimrock Foundation-Billings

To come:

St. Luke Community Healthcare-Ronan  
Marcus Daly Memorial Hospital-Hamilton



## **Montana Economic Developers Association**

118 E. Seventh St.; Suite 2A Anaconda, MT 59711  
ph: 406.563.5259 fx: 406.563.5476

March 19, 2007

**TO: Senate Finance and Claims Committee**  
**Sen. Trudi Schmidt, Chair**

**RE: HB 634 Increase bonding authority of facility finance authority**

The Montana Economic Developers Association (MEDA) represents over 200 professionals who work for local economic development organizations across the State of Montana. We are professional "lead" economic developers, business specialists, government employees, and staff members of affiliated non-profit organizations which promote and foster economic development activities in Montana.

MEDA strongly requests your support of HB634 so that this funding can be more effective and meet the need that currently exists. Hospitals, as an entity served by this funding, face ever growing demand in Montana due to our aging and increasing population. Funding resources must expand to keep up with the ever expanding needs of Montana citizens.

It should be noted that hospitals are the third largest employer in our state and experienced 7.9% growth from 2000 – 2004. As hospitals pay \$10,000 over the non-hospital employee wages, increasing the bonding authority will ultimately result in more better paying jobs for the people of Montana.

On behalf of our entire MEDA membership, I encourage you to support this bill as we continue to work together to accelerate Montana's economic development.

Sincerely,

Rick Edwards, President

JOIN US AT <http://www.medamembers.org>

BOARD OF DIRECTORS: RICK EDWARDS, PRESIDENT, BUTTE \* JONI STEWART, VICE PRESIDENT, CUT BANK \*  
\* JOSEPH MCCLURE, TREASURER, BILLINGS \* DICK KING, PAST PRESIDENT, MISSOULA \* GLORIA O'ROURKE, SECRETARY \*  
\* JIM DAVISON, ANACONDA \* BETTY POHLMAN, HELENA \* JIM SMITHAM, BUTTE \*  
\* CAL ORAW, SIDNEY \* ANNE BOOTHE, MALTA \* LARRY MIREs, GLASGOW \*  
\* JOHNEL BARCUS, BROWNING \* SHELDON BARTEL, HELENA \* MIKE CARLSON, SIDNEY \* ANDY POOLE, HELENA \*  
\* TRACEY JETTE, BOZEMAN \* ELIZABETH MARCHI, KALISPELL \* CHERYL MACARTHUR, GREAT FALLS \*  
PAUL TUSS, HAVRE \* BRETT DONEY, GREAT FALLS \* KEN RICHARDSON, MISSOULA \*





## Montana AMBASSADORS

The MONTANA AMBASSADORS  
a volunteer, not-for-profit organization of leaders in business,  
education, and the professions with a common dedication to  
living and doing business in Montana and furthering the best  
interests of the state, serving at the pleasure of the Governor.

March 19, 2007

**TO: Senate Finance and Claims Committee**  
**Sen. Trudi Schmidt, Chair**

**RE: HB 634 Increase bonding authority of facility finance authority**

Montana Ambassadors is a volunteer, not-for-profit organization whose members include over 150 leaders in business, education, and government. As an organization, the Montana Ambassadors is dedicated to helping develop Montana's business environment.

Montana Ambassadors ask your support for HB634 which simply increases the bonding authority for the Facility Finance Authority to \$500 million.

As you may know, Montana's population is aging to the extent that we are the 4<sup>th</sup> oldest in population in the nation. Hospitals, as one industry served by the Facility Finance Authority, need to have funding resources made available to them to meet the growing demands of our aging citizens.

As hospitals serve our citizens, they also are a source of good paying jobs with an annual wage of \$39,000 compared to \$29,000 for the average worker.

Again, Montana Ambassadors ask your support for HB634 so that this economic development tool can become even more effective.

Sincerely,

Rick Edwards  
President

PO Box 722  
Anaconda, Montana 59711  
Ph: 406.563.5353 Fx: 406.563.5476  
Email: [gloria@montanaambassadors.com](mailto:gloria@montanaambassadors.com)  
<http://www.montanaambassadors.com>

# ST. JOHN'S

LUTHERAN MINISTRIES

3940 RIMROCK RD. - BILLINGS, MT 59102  
(406) 655-5600 - (406) 655-5656 FAX - WWW.SJLM.ORG

THE COTTAGES  
*A New Model of Caring*

CHAPEL COURT  
*Retirement Living with  
Supportive Services*

JOHN'S LUTHERAN HOME  
*Intermediate / Skilled Nursing  
Dementia Care*

HELEN JORGENSEN  
*Rehabilitation Center*

SENIOR DAY SERVICES  
*Adult Day Care*

ENTER FOR GENERATIONS  
*Day Care*

ST. JOHN'S FOUNDATION  
*Living, Providing, Assuring*

REPORTED MINISTRIES -

MISSION RIDGE  
*Independent Living*

THE VISTA AT MISSION RIDGE  
*Assisted Living*

APPHIRE LUTHERAN HOMES  
*of Hamilton*

LUTHERAN SOCIAL SERVICES  
*of Montana*

March 19, 2007

To: Senate Finance & Claims Committee

From: Kent Burgess  
Kent Burgess, President & CEO

Re: HB634 - MFFA Statutory Bonding Limit

Please accept this letter in support of HB634 which would raise the Bonding Limit for the Montana Facilities Finance Authority (MFFA). Approval of this bill is critical to meet the expansion needs of health care facilities across Montana.

St. John's Lutheran Ministries has utilized the bonding capacity of MFFA on several occasions as we address the needs of replacing an aging facility and bringing needed long-term care innovation to our state. This same need is replicated across all health care facilities who are struggling to meet the demands of current consumers inclusive of both State and Federal governmental entities. Without an increase in the limit, MFFA will be forced to choose between worthy health care projects leaving some facilities no access to affordable tax-exempt financing. Projects proposed for 2008 in Yellowstone County alone could consume the current bonding limit.

It is important to note that the State of Montana carries no liability for these bonds which are either insured with a bank letter of credit, mortgage insurance, or collateralized by the property. MFFA has a long standing history of working with providers to insure that projects are both doable and meet the needs of Montana citizens.

Please support HB634.

...nurturing environments of hope, dignity and love



Leading Quality Addiction Treatment in the Northern Rockies

March 19, 2007

Michelle Barstad  
Montana Facility Finance Authority  
P.O. Box 200506  
Helena, Montana 59620

Dear Michelle,

Unmet markets, unmet consumer demand, all are mounting pressures on health providers to meet the needs of Montana growing Communities with new, lower cost, high quality treatment services. What will define the spirit of the entrepreneurial health care enterprise in the 21st Century is its relentless problem solving approach in providing adequate infrastructure and systems essential to delivering this health care.

Most often, we typically associate financial ingenuity with the transformation of problems into low cost goods and services to America's Global Corporate Giants bent on adapting mass production techniques to the market place. But the Directors of the Montana Facility Finance Authority in cooperation with Montana's Health Institutions have been equal to the challenge in responding to the need of low cost financing for our State's health care infrastructure and equipment needs.

Quite simply, here in Montana we don't have the problems related to Patients accessing services often experienced in many other parts of the United States due to the prohibitive costs of health care. **With the ready availability of low cost financing our medical facilities have been able to adopt the latest scientific advances and still maintain reasonable cost structures. This success comes as direct result of the sophisticated financial investment policies pioneered by the Montana Facility Finance Authority.**

Without these funds, we would not be able to serve the indigent and low income patients we now care for. In fact, in the past five years, this population has been the largest source of Rimrock Foundation's growth both in numbers and in facilities. **Because we can acquire low interest money, we have been able to expand our facilities and services to more of those Montanan's who could not otherwise pay for their care.** This however is not the only patient population that benefits.

Michelle Barstad  
March 19, 2007  
Page 2

Last summer, I accompanied a group of Montana leaders to study a broad spectrum of the Canadian Healthcare system for the purpose of determining whether Montana could improve it's system. One of the most concerning things we found was that while the delivery of care was excellent, there is a looming crisis because they have not been able to properly maintain or upgrade their infrastructure. Old, outdated buildings and equipment will severely limit the quality of their care in the near future. This in not the case in Montana, thanks in large measure to our ability to borrow low interest money from the Montana Facility Finance Authority.

The expertise and specialization the Montana Facility Finance Authority brings to the borrower is enormously helpful and has funded our growth for over twenty years. **This is a program that has no downside -- it does not cost Montana, it permits us to maintain and expand our vital infrastructure, and it has been a large reason why, at Rimrock Foundation, our rates increased at the rate of only 1 % a year for the past five years.**

At the end of the day we've remained fiscally ultra-conservative, understanding the big issue as one of capacity and choosing not to get "too far ahead" of ourselves. We have remained largely aloof from the allure of "easy soft" money funding streams by building our vision of the future on sustainable resources.

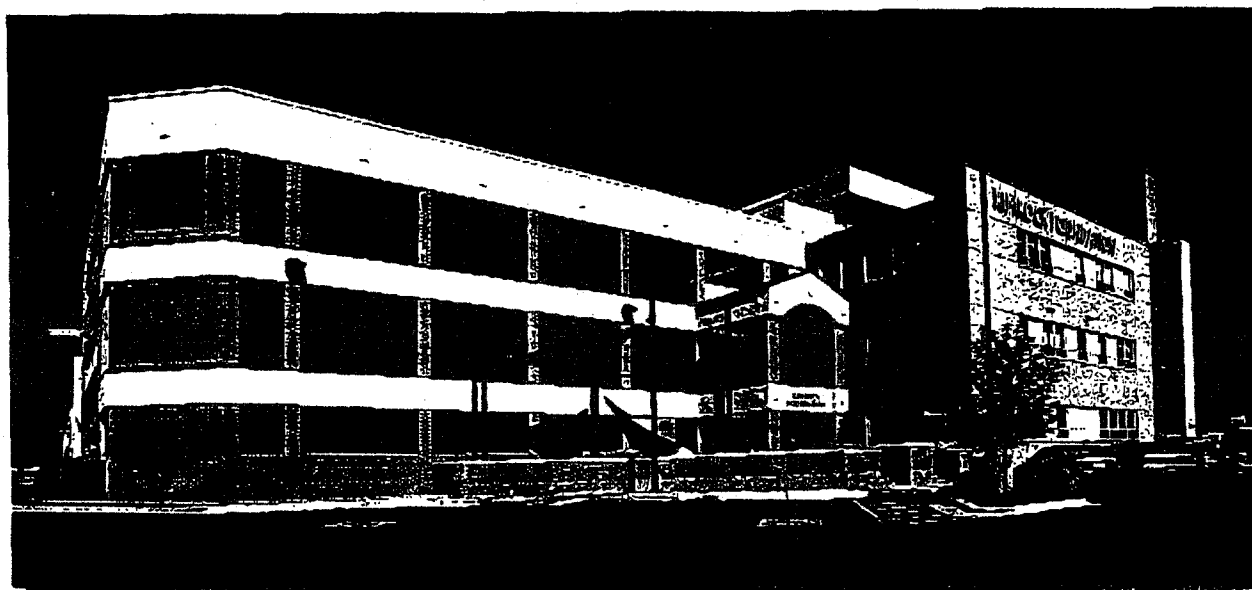
**We urge you to vigorously support HB 634!**

Sincerely,



David W. Cunningham  
Chief Executive Officer  
Rimrock Foundation

# Rimrock Foundation - Vital Statistics



Founded in 1968

## Facilities' Profile

- ◆ **Facilities:** 100 beds in multiple locations including: 55-bed facility for dual diagnosis addiction treatment, detoxification, eating disorder treatment, and crisis stabilization of the mentally ill; 18-bed, four-plex facility for mothers and their children while the mothers are in treatment; 6-bed sober housing facility for women; 7-bed facility for adolescent treatment; 14-beds/sober housing facilities for men.
- ◆ **Outreach:** Truancy Center Student Assistance Program, School-Based Counselor Program, Lending Library, educational services in schools and throughout county.
- ◆ **Staff:** 115 employees

## Licenses

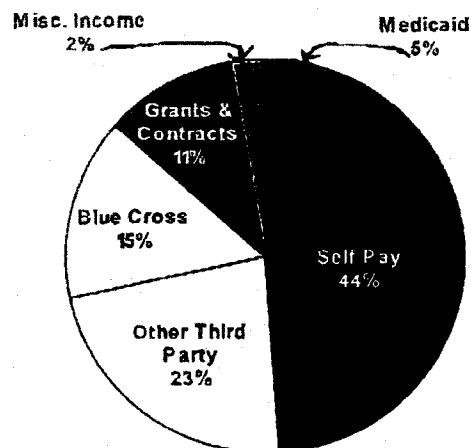
- ◆ Department of Public Health/Human Services
- ◆ Montana Board of Pharmacy
- ◆ Mental Health Center
- ◆ Chemical Dependency Facility

## Accredited by:

- ◆ The Commission on Accreditation of Rehabilitation Facilities (CARF)

## Patient Demographics - 2006

- ◆ Patient breakdown, by payment source



## Program Admissions - 2006

- |                               |                             |
|-------------------------------|-----------------------------|
| ◆ 441 inpatient               | ◆ 573 detoxification        |
| ◆ 4,302 outpatient            | ◆ 130 intensive outpatient  |
| ◆ 31 crisis stabilization     | ◆ 7 Michel's House (adults) |
| ◆ 50 New Choices              | ◆ 29 Sober Housing          |
| ◆ 15 Adolescent Day Treatment |                             |

## Services for Those In Need

In 2006, Rimrock Foundation provided \$644,906 in community care for outreach programs, education, research and subsidized patient care.

### Outreach - Education & Prevention

Hits on Our Web Sites - 2,100,000  
Fact Sheets Mailed to Counselors,  
Legislators, Schools, and the Public - 49,618  
Library contacts - 6,889  
Presentation/Adult Education Contacts - 852  
Nursing Student/Intern Rotations - 60  
Teachers in Residence - 12

### Community Healthcare

Subsidized Detox Services - \$255,549  
Teachers in Residence - \$6,644  
Rimrock Foundation Library - \$40,320  
College Internships - \$97,734  
Community Education - \$5,859  
Charity Care - \$238,800

### Community Coalitions

Local Area Advisory Council  
Yellowstone County DUI Task Force  
Billings Adult Misdemeanor Drug Court  
Billings Family Drug Court  
North Park Task Force, Long-Term

### Clinical Services

Medical Detoxification  
Crisis Stabilization Program  
Inpatient Services  
Outpatient Services  
Family Services

